

FISCAL NOTE

HB 1174 - SB 1651

April 5, 2003

SUMMARY OF BILL: Allows county commissions in multi-LEA counties to choose whether to distribute funds based on WFTEADA (weighted full-time equivalent average daily attendance) or adjusted ADM (average daily membership). Under current law, BEP funds are distributed on the basis of ADM.

WFTEADA measures the full-time equivalent attendance in a district, weighted by the grade level and type of education. ADM is a measurement intended to count the total potential students that a district has to maintain the capacity to serve, regardless of whether all those students actually come to school each day.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Because of the weighting system in calculating WFTEADA and differences among districts in attendance rates, a county with special and/or city school districts that opts to use adjusted ADM rather than WFTEADA in apportioning funds would cause a redistribution or shift of funds from one district to another. One district would gain revenues while another district would lose revenues. Such shift in revenues is estimated to exceed \$2,900,000.

For information purposes, in Shelby County, a change in the allocation of county taxes on an adjusted ADM basis would result in a shift of funds of \$2,900,000 from Shelby County schools to Memphis City schools, compared to the allocation of county taxes based on WFTEADA. This represents an increase in county revenue of 1% for the Memphis City school district and a decrease in county revenue of 2.4% for the Shelby County school district.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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